

The White Paper makes the following points:

- **CLEC access to xDSL technology is essential if consumers are to have a choice of broadband service providers.**
- **xDSL is simply a manifestation of the natural evolution of the network to higher speeds and greater digital capabilities.**
- **Regulators must preserve the three entry strategies created by Congress as the network evolves.**
- **There is no legal basis for fencing off access to ILEC xDSL capability.**
- **xDSL electronics are an integral part of the subscriber loop.**
- **Competitors cannot cost-justify providing their own xDSL electronics and interoffice facilities on a broad basis.**
- **Access to xDSL capability by ILEC competitors will help ensure a competitive environment for Internet Service Providers (ISPs).**
- **Fencing off access to ILEC data networks will likely create a dominant LEC in both data and voice in the future.**
- **ILECs already have strong incentives to invest in broadband technology.**

Specific Comments on ALTS Petition

LCI also wishes to make several specific observations about the ALTS petition.

First, the ALTS petition shows that the need for access to ILEC advanced network capabilities exists across the spectrum of entrants. No matter

7/ "CLEC Access to xDSL Technology: A Necessary Predicate for Widespread, Competitive Deployment of Broadband Telecommunications Services," LCI White Paper, June 1998 ("LCI White Paper").

what an entrant's business plan -- whether or not the entrant owns or plans to invest in local facilities; whether the entrant plans to focus on broadband/data services or has more comprehensive goals (e.g., to provide packages of voice, data, and broadband services); and whether the entrant serves targeted geographic areas and central offices, or instead serves customers everywhere -- all entrants need access to the advanced capabilities of the ILEC network.

Second, the ALTS petition asks the Commission to make clear that entrants have a right to employ loops that are xDSL-equipped (if the ILEC has deployed xDSL technology in the relevant central office), rather than simply having the right to employ unbundled loops that are conditioned to be attached to a competitor's xDSL electronics (the digital subscriber line access multiplexer or "DSLAM"). 8/ While competitors certainly have the option of installing their own DSLAM equipment in the ILEC central office, they also have the option of obtaining, as network elements, loops that are *already equipped* with xDSL electronics. 9/ The ILECs will have a sure means to defeat, as a practical matter, their competitors' ability to compete in the provision of broadband

8/ See ALTS Petition at ii, 15-16, and Attachment A at 3.

9/ As we point out in the White Paper, the electronics attached to the loop are an integral part of that loop and are included in an unbundled loop. See LCI White Paper at 14-18.

telecommunications services if they can force competitors to install collocated DSLAM equipment in every central office in which they seek to serve customers. 10/

Third, although the ALTS petition does not specifically mention it, the Commission should make clear that it is not just the xDSL-equipped loops that must be made available as network elements; it also is essential that competitors have access to the ILECs' switching and interoffice transport used for broadband telecommunications services. 11/ While some entrants may already have interoffice transport facilities and local packet switches that would enable them to pick up traffic from the ILEC unbundled xDSL-equipped loops and take that traffic to their packet networks, many entrants (such as LCI) will need to employ the ILEC's packet switching and interoffice transport in order to bring the traffic to LCI's own network. Without competitive access to the ILEC interoffice local network for xDSL traffic, consumers will, as a practical matter, be deprived of competitive choice of broadband service providers because of the prohibitive cost of constructing or

10/ Even if the ILECs were to reduce the costs of collocation by adopting modifications to or alternatives to physical collocation, the need to install DSLAM equipment, and the costs entailed with that activity, is likely as a practical matter to severely restrict the ability of competitors to serve customers over a broad geographic area, and to compete for residential and small business customers -- the very customers who are less likely to be served by non-copper broadband facilities (ILEC or CLEC). See LCI White Paper at 18-31.

11/ There is, of course, no legal or other basis for selecting only certain capabilities of the ILEC network as subject to Section 251(c)(3). As pointed out in the LCI White Paper at 12-14, the definition of "network element" in the Act is broad and includes the "features, functions, and capabilities" of any ILEC "facility or equipment" used to provide telecommunications services. 47 U.S.C. § 153(29).

leasing a duplicate interoffice network -- just as they would be for voice traffic if denied access to the interoffice circuit-switched network. 12/

Fourth, it bears emphasis that modern, digital loop carrier (DLC) technology is incompatible with a model that would require CLECs to deploy DSLAMs in ILEC central offices as the only means to compete for xDSL-based services. The length of a copper loop is a major factor in whether xDSL is workable at all for a particular subscriber, and is relevant to what type of xDSL technology can be used (in general, the shorter the loop, the higher the bandwidth capability). 13/ DLC technology permits an ILEC, in effect, to shorten the length of a copper loop by moving electronics out to a remote site. 14/ If the ILEC were permitted to deny competitors access to the DLC loop with its xDSL electronics, and instead were permitted to force competitors to pick up an unbundled copper loop (stripped from the DLC) at the central office, then competitors would have difficulty competing for those xDSL subscribers, given the longer loop length and poorer loop

12/ See LCI White Paper at 28-29 (discussing the costs of interoffice switching and transport facilities and the analogy to the need for access to unbundled local switching and shared interoffice transport for circuit-switched telecommunications).

13/ See Appendix A to LCI White Paper (describing loop length limitations associated with various types of xDSL technology).

14/ ILECs have put in DLC technology for a number of years as a means to improve the quality of loops and to avoid having to replace an entire copper loop. DLC technology is in place today on upwards of 20 percent of loops nationwide, a number that is likely to grow significantly in the future. See LCI White Paper at 27.

quality. It is critical, therefore, that CLECs have access to unbundled loops with their electronics included; any other result would be unworkable. 15/

Fifth, ALTS has sought a declaratory ruling on several distinct points. 16/ It is critical that the Commission grant the petition on all these points -- because the success of competition in advanced, broadband services will depend on ILEC compliance with every one of the market-opening provisions of the Act, and not just some. 17/ Thus, it will not be enough if the Commission makes clear that interconnection for data networks is required and orders improvements in collocation options -- it is also essential that the Commission clarify that entrants have a right to employ any ILEC local network capability as network elements -- whether xDSL-equipped loops or the interoffice switching and transport of data traffic.

Finally, LCI supports the ALTS request that the FCC permit state commissions to protect and expand upon the rights of requesting carriers. 18/ We simply emphasize what should be obvious -- that the state commissions do not have the power to contract the rights of competitors that have been established by the FCC, and that the FCC is empowered by Congress, pursuant to Sections 251(c)(3)

15/ See ALTS Petition, Attachment A, at 3; LCI White Paper at 15-17, 27.

16/ See ALTS Petition, Summary at i-ii.

17/ See LCI White Paper at 3-10.

18/ ALTS Petition at 39-45.

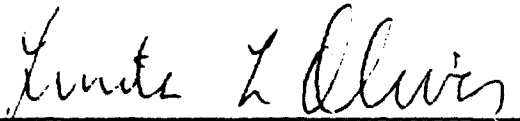
and 251(d)(2), to establish, by rule or by declaratory ruling, the ILECs' obligations to provide network elements and access to those elements.

Conclusion

The Commission should immediately grant the ALTS petition for declaratory ruling, making clear that any ILEC network capability must be made available to competitors pursuant to Section 251(c), regardless of the nature of the technology used or the services provided. This action is necessary to ensure that ILECs will comply fully with their statutory market-opening obligations and that consumers will have a choice of broadband service providers.

Respectfully submitted,

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June 18, 1998

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I, Barbara E. Clocker, hereby certify that on this 18th day of June, 1998, a copy of the Comments of LCI International Telecom Corp. filed in CC Docket No. 98-78 was hand delivered to the parties listed below.


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